

FISCAL NOTE

HB 509 - SB 758

March 20, 1997

SUMMARY OF BILL: Prohibits any person, firm, corporation, joint-stock company, syndicate or association selling beer in the county seat of a county having a population not less than 825,000 to have more than 30% of its inventory in beer. A violation of such prohibition shall be assessed a civil penalty not to exceed \$100 per day for the duration of the violation.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$500,000

Decrease Local Govt. Revenues - Net Impact / Exceeds \$1,000,000

The estimate assumes current year projected collections from beer sales in the affected municipality from barrelage tax and the wholesale beer sales tax of approximately \$1,110,000 to the state and \$12,815,000 to the local government. Barrelage tax collections are apportioned 66.7% to the state and 20.1% to local governments, and the "beer sales tax", 17% on the sale of beer by wholesalers to retailers, is apportioned 96.5% to local governments and 0.5% to the state. There is no way to know how many of the establishments in the municipality, including retailers, wholesalers and distributors, paying and/or collecting and remitting all the applicable fees and taxes would be affected, but it is reasonable to assume that the number is sufficient to generate a significant loss of revenues.

The estimate also assumes an increase in local government revenue from the imposition of civil penalties for violation of the provisions of the bill, to the extent that such violations occur. Such increase is not known, but is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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